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Appearances of Counsel Continued on Next Page

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

U.S. SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

CROWD MACHINE, INC., METAVINE,
INC, and CRAIG DEREL SPROULE,

Defendants,

Case No.: 4:22-cv-00076-HSG

Hon. Haywood S. Gilliam, Jr,

**STIPULATION AND JOINT
STATEMENT TO REQUEST
MODIFICATION OF SCHEDULING
ORDER AND EXTENSION OF
DEADLINES; ORDER**

and

METAVINE PTY. LTD.,

Relief Defendant,

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7 Attorneys for Defendants
CROWD MACHINE, INC., METAVINE, INC.,
8 and METAVINE PTY. LTD.

1. Plaintiff U.S. SECURITIES AND EXCHANGE COMMISSION (“SEC”) and Defendants Crowd Machine, Inc., Metavine, Inc., and Relief Defendant Metavine Pty, LTD (collectively “Crowd Machine entities”), hereby jointly submit the following Stipulation and Joint Statement pursuant to Local Civil Rules 6-1, 6-2, and 7-12, Federal Rule of Civil Procedure 16(b)(4), and paragraph 15 of this Court’s Standing Order seeking modification of the Court’s Scheduling Order (ECF No. 25) to extend the deadlines therein, subject to the Court’s approval, by approximately 90 days. This is the parties’ first joint request for modification of the Scheduling Order.

2. On March 23, 2022, the Court issued a Scheduling Order, setting this matter for a final hearing on the amount of disgorgement and penalties owed on May 11, 2023. The Order also set forth interim deadlines for the completion of fact discovery, the exchange of expert reports and discovery, and a briefing schedule for the parties on the SEC’s motion for disgorgement and penalties. Specifically, the Order set the fact-discovery deadline for September 16, 2022. As set forth in the Joint Statement of Good Cause, the parties agree there is good cause to extend the fact-discovery deadline by 90 days.

Joint Statement of Good Cause

3. Since the Case Management Conference on March 22, 2022, the parties have been working diligently and cooperatively on exchanging fact discovery and conferring on scheduling matters and logistics, as follows:

- On April 8, 2022, both parties timely served their initial disclosures.
- On June 24, 2022, Defendants propounded their First Set of Interrogatories and Request for Production of Documents on the SEC. The SEC timely responded to Defendants’ document requests on July 25, 2022, and produced the vast majority of the SEC’s investigative file, which consisted of 38,115 documents (128,943 pages). After a one-week

extension due to counsel's illness, the SEC provided its interrogatory responses on August 1, 2022.

- On July 8, 2022, the SEC advised that it intended to issue targeted discovery requests concerning specific expenditures relating to Defendant's initial coin offering (ICO) that was the subject of its investigation. It further advised that it would seek to depose defendant Craig Sproule in his capacity as an officer of the entity Defendants, and, if necessary, also depose a 30(b)(6) company designee.
- On August 5, 2022, the SEC served its First Set of Interrogatories and Request for Production of Documents to Defendants. By rule, Defendants' responses are due on September 6, 2022 – 10 days before the fact discovery deadline set for September 16.
- On August 25, the SEC requested dates on which it could depose Mr. Sproule and a 30(b)(6) designee for Defendants.

4. At the same time, the parties have engaged in efforts to limit the scope of the issues before the Court, while continuing to discuss the possibility of a negotiated resolution.

5. Despite the parties' diligence and good faith in conducting fact discovery, the parties agree the fact discovery necessary to prepare this matter for motion practice cannot be completed by September 16, 2022, which in turn will impact the remaining deadlines in the case.

6. The reason additional time is needed is due to several factors, all of which support good cause for extending the deadlines:

- Defendants' responses to the SEC's interrogatories and document requests are due on September 6, 2022, ten days before the current discovery cut-off date. The SEC then will need to review the document production prior to deposing any witnesses. Because Defendants require additional time to produce the requested documents for the reasons set forth below, if the

SEC were to move forward with the depositions before the current fact discovery cut-off date, it would have to do so without the benefit of the documents it has requested. Also, given the logistical difficulties with deposing Mr. Sproule and a company designee (both located in Australia), there is insufficient time to schedule and conduct those depositions under the current schedule.

- The location of Defendants have presented unavoidable logistical issues. Defendants' responses to the SEC's discovery requests have required several meetings between defense counsel and parties in Australia who possess the relevant information and potentially responsive documents. Counsel has met virtually on several occasions with Defendants, but the time difference has presented a limited window in which to meet. (Australia is 14 hours ahead of Eastern Daylight Time and 17 hours ahead of Pacific Daylight Time.)
- Defendants have also advised the SEC that their accounting software is limited in capacity and that they lack employees and IT services due to Defendants' financial circumstances. The need for a three-month extension of the fact discovery period, which would similarly delay all subsequent deadlines, is largely driven by the parties' desire to afford Defendants adequate time to access, download, review, and produce accounting documents, which Defendants contend is a lengthy process. The production of these documents may narrow the areas of dispute regarding the appropriate amount of disgorgement to be awarded the SEC. The parties intend to continue to work together on solutions to potentially reduce the burden and time necessary to gather these records.
- The SEC's August 1 document production contains 25,112 unique documents, including documents the SEC obtained during its investigation from third parties, in addition to documents Defendants

produced to the SEC. Because Defendants' current counsel was not engaged until well after the SEC's investigation was complete, defense counsel did not previously have the opportunity to review the documents their clients produced during the investigation.

7. In light of the foregoing, the parties agree completion of fact discovery is not practicable by September 16 and believe good cause exists to extend the fact discovery deadline by 90 days. They further agree that, because the remaining deadlines are keyed to the close of fact discovery, all subsequent deadlines set forth in the Court's Scheduling Order should adjourned by an equal amount of time.

8. The parties agree this Joint Statement is made in good faith and in the interests of judicial economy and is not for the purposes of delay.

Based on the foregoing, IT IS STIPULATED AND AGREED, by and between the parties, and their undersigned counsel, that good cause exists for the deadlines set forth in the Scheduling Order to be MODIFIED. The parties have conferred and jointly propose the following modifications to the current deadlines set forth in the Court's Scheduling Order:

Event	Current Date ECF No. 5	Proposed New Date
Parties to exchange Fed. R. Civ. P. 26(a)(1)(A) initial disclosures	Apr. 8, 2022	n/a
Close of Fact Discovery re SEC's request for monetary relief	Sep. 16, 2022	Dec. 16, 2022
Deadline for SEC to serve initial expert report or updated disclosure under FRCP 26(a)(1)(A)(iii)	Oct. 14, 2022	Feb. 1, 2023 ¹
Deadline for Defendants and Relief Defendant to complete expert discovery re SEC's initial expert report (if any) and serve any expert report re SEC's claim for monetary Relief	Dec. 1, 2022	Mar. 15, 2023

¹ This proposed schedule extends the period between the close of fact discovery and the deadline for the SEC to serve its expert report by two weeks to account for the interim holidays. Otherwise, the time between events remains the same.

Deadline for SEC to complete expert discovery re: Defendant and Relief Defendant's expert report (if any) and serve any rebuttal expert report	Jan. 12, 2023	Apr. 26, 2023
Deadline for Defendants and Relief Defendant to complete expert discovery re SEC's rebuttal expert report	Feb. 10, 2023	May 24, 2023
Deadline for SEC to file motion for monetary relief	Mar. 10, 2023	June 21, 2023
Deadline for Defendants and Relief Defendant to file response to SEC's motion for monetary relief	Apr. 7, 2023	July 19, 2023
Deadline for SEC to file reply in support of motion for monetary relief	Apr. 21, 2023	Aug. 2, 2023
Hearing on SEC's motion for monetary relief	May 11, 2023, at 2:00 p.m.	Aug. 24, 2023, at 2:00 p.m.

Dated: September 2, 2022

By: /s/ Adam B. Gottlieb
 ADAM B. GOTTLIEB
 CHRISTOPHER J. CARNEY
 Attorneys for Plaintiff
 U.S. SECURITIES AND EXCHANGE
 COMMISSION

Dated: September 2, 2022

By: /s/ Justin T. Goodwin
 WILLIAM DELGADO
 JUSTIN T. GOODWIN
 ALISON KEHNER
 Attorneys for Defendant
 CROWD MACHINE, INC.,
 METAVINE, INC., and
 METAVINE PTY., LTD.

PURSUANT TO STIPULATION, IT IS SO ORDERED.

DATED: 9/6/2022


 HAYWOOD S. GILLIAM, JR.
 UNITED STATES DISTRICT JUDGE